

**00721**

**1985/05/23**

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(U) CHINA: WILL THE ARMY CUT 1 MILLION MEN?

Summary

Party leader Hu Yaobang announced on April 19 during his trip to New Zealand that the People's Liberation Army (PLA) would be cut by 1 million troops between this year and next, a figure confirmed by Military Commission Chairman Deng Xiaoping on May 4 to visiting Burmese leader Ne Win. Both Hu and Deng pointed to cost savings as the motivation for the reduction, but Hu also suggested that it would demonstrate to China's neighbors the sincerity of Beijing's new emphasis on a peaceful foreign policy.

Deng and Hu may hope this gesture will play well abroad--especially in Southeast Asia--but probably do not expect it to have much effect on the Soviets. Whatever the political intent, reduction in force is essentially part of Deng's and Hu's efforts to modernize the PLA. The assumption is that any cost savings ultimately would be used to modernize China's military system.

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Where Would the Cuts Be Made?

Hu's announcement has caused considerable confusion among China watchers--and probably within China as well. Where will the PLA find 1 million men to cut? Given China's strategic and political conditions, it is almost inconceivable that significant cuts will occur in areas that would materially affect China's military readiness or fighting capabilities. Hu made a point of affirming this in his statement that the PLA's reduction in force would not affect China's ability to defend itself. Given their small size and/or high budgetary

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Declassify: OADR (Sarris, L.)

Report 1081-AR  
May 23, 1985

United States Department of State  
Office of FOIA, Privacy, & Classification Review  
Review Authority: R.H. Miller  
Date: 01/30/96  
Case ID: 9403441

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- 2 -

priority, the 500,000-man air force and 350,000-man navy are not likely to incur major cuts, nor are reductions expected in the numerically insignificant strategic forces.

Thus, the 3.2 million-man army logically would bear the brunt of force reductions. But there is no evidence that China plans any reduction in the number of main force divisions, now totaling about 180. Of these, the 100 divisions on the Sino-Soviet border and the 30 divisions on the Sino-Vietnamese border (approximate numbers) are probably exempt from major reductions. This leaves about 50 main force divisions--with about 900,000 troops--in the interior.

Interior Divisions. One way to cut PLA personnel without adversely affecting fighting capabilities would be to adopt a two- or three-tiered system of categorizing the interior divisions, much as the Soviet Union does. Under such a system, interior forces--say in the Wuhan, Nanjing, and Chengdu Military Regions--could be reduced to 25-50 percent of their allocated manpower, with the remaining forces to be drawn from reserves and militia in time of emergency. Assuming a smaller manpower reduction to only 50-75 percent in these 50 divisions, the PLA could reduce its forces by 225,000-450,000.

Mechanization. Another means of reduction is through expanded mechanization, although this is a long-term program. Expanded mechanization means greater use of armor and thereby fewer infantry personnel. In this way, the PLA could lower its manpower needs by perhaps 20 percent, or by as many as 350,000 men in the 100 divisions on the Sino-Soviet border alone.

Reorganization. Various organizational and personnel measures also could reduce the PLA's manpower, although hardly by 1 million men. Such measures include consolidating China's 11 military regions to perhaps half that number, with a significant reduction in staff and support needs; shrinking the role of the military districts to reserve mobilization and training functions only, with a concomitant reduction in staff and support needs; and expanding enforced retirements. Apparently, even at relatively low levels in the PLA, numerous elderly and convalescent officers--although semi-retired--are still on the rolls and continue to live on PLA posts.

The PLA already reportedly is enforcing retirement and beginning to streamline regional organization, but there is thus far no evidence that it is implementing a multi-tiered system for interior divisions. Previous reductions, however, have removed most of the easy targets for substantial RIFs, including the separation from the PLA of the People's Armed Police, the railway construction corps, the production and construction corps, and other nonmilitary components.

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- 3 -

Cost-Effective?

Even if China succeeds in reducing the PLA by close to 1 million men, the question remains of how much money actually will be saved. Skeletal divisions, backed up by reserve forces, certainly would save money, but mechanization of main force units can be extremely expensive. In addition, maintenance of mechanized units and training and operations costs likely would exceed costs for traditionally infantry-heavy PLA divisions. Similarly, retirements, retraining, and reassignment of demobilized veterans will entail budgetary outlays, even if they are not reflected in the PLA's expense sheet.

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